

BLOEM WATER REPORTING
STRATEGIC (BUSINESS) PLAN,
ANNUAL REPORT/PERFORMANCE 2013/2014, 2015/16 BUDGETS AND
TARIFF INCREASES

PRESENTATION TO THE PORTFOLIO COMMITTEE ON

WATER & SANITATION

04 March 2015

Chairperson: Mr TB Phitsane

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Overview of Bloem Water

- Bloemwater was established as a Water Board in 1991, in terms with the Water Services Act (WSA) 108 of 1997
- **Vision**
Assuring sustainable provision of quality water services, for life!
- **Mission**
To create a leading, value-driven, effective and responsive Institution using adaptive best practice methods in anticipating tomorrow's problems today.
- Clause 29:
– The primary activity of a water boards is to provide water services to other water services institutions within its areas of operations.



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Overview of Bloem Water (Cont.)

- Clause 30:
Other activities of a water board may include, but are not limited to providing management services, training and other support services to water services institutions, in order to promote co-operation in the provision of water services;
- Clause 32:
Every water board – must enter into written contracts when performing its primary and other activities
- Clause 34:
Striving to be financially viable: a water board is financially viable if it is able to:
 - (a) repay and service its debts;
 - (b) recover its capital, operational and maintenance costs

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Area of Service


Central and Southern Free State

• Local Municipalities

- Mangaung Metro
- Kopanong
- Mantsopa
- Naledi

• Other: Project Implementing Agent (PIA) for DWA

- Masilonyana Local Municipality
- Mohokare Local Municipality
- Naledi Local Municipality
- Maluti – a - Phofung
- Letsemeng Local Municipality
- Bucket eradication programme in 19 Municipalities in the Free State Province

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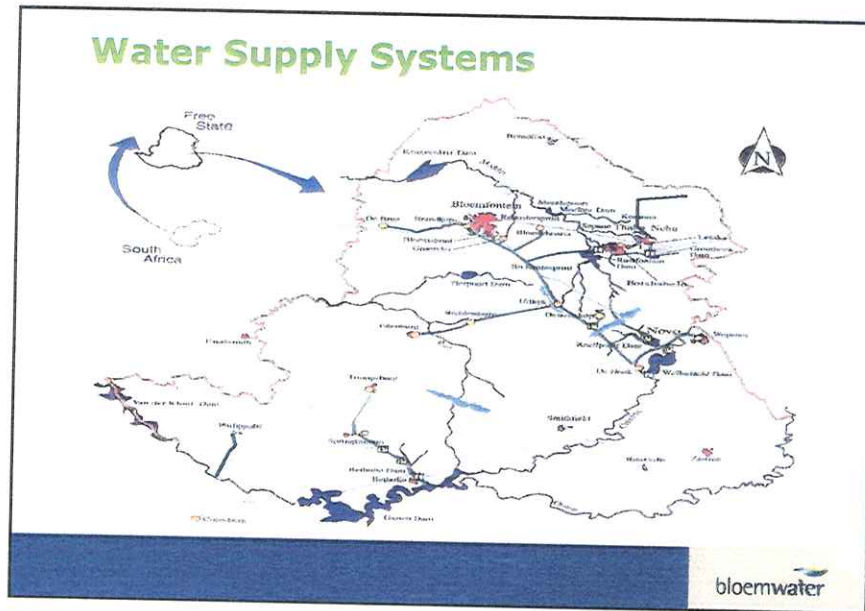
Area of Service Cont...

Water Supply Scheme	Municipality	Locality/Towns
• Modder River	• Mantsope	• Excelsior
• Mangang Metro	• Thaba Nchu	• Botshabelo
	• Rietfontein; Kommissiedref	
	• Springfontein; Potsane; Marasdal	
	• Klipfontein; Tiger River; Moroto	
	• Woodbrdge 1 & 2; Longridge	
	• Yoxford; Feioana; Merino; Rakhol	
	• Gladstone; Paradys; Talla; Sediba	
	• Balactava; Ratabane; Middeldiel	
	• Tweefontein; Spitskop; Rooibull	
	• Eureka; Houtnek; Kgala; Bofulo	
	• Nogaspost; Moragu; Modutung; Thubisi	

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Area of Service Cont...

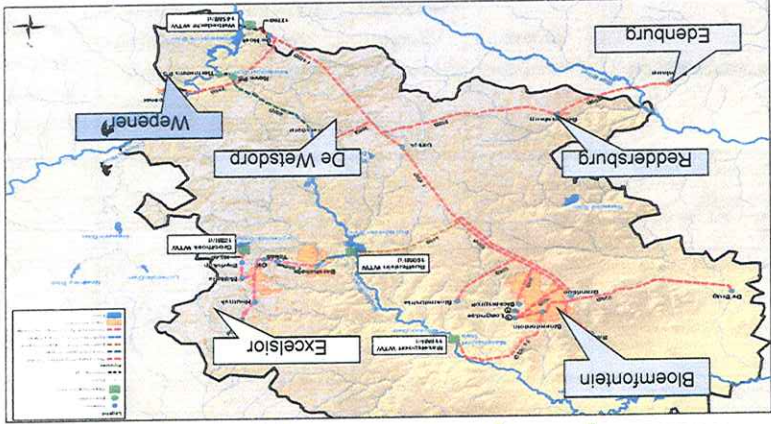
Water Supply Scheme	Municipality	Locality/Towns
• Orange River	• Kopanong	• Bethulle
		• Garop
		• Philippolis
		• Trompsburg
		• Jagersfontein
		• Fauriesmith
		• Springfontein
		• Reddersburg
		• Edenburg
		• Dewetsdorp
		• Wepener
• Caledon River	• Naledi	• Bloemfontein
• Caledon River	• Mangang Metro	



Water Use Licenses

Treatment Works	Current Plant Design	Max. Raw Water Abstraction p.a.	Max. Raw Water Abstracted p.a.	Existing Water Use Licence Approvals	Revised Volumes Required
	ML/day	$\times 10^6 \text{ m}^3$	$\times 10^6 \text{ m}^3$	$\times 10^6 \text{ m}^3$	$\times 10^6 \text{ m}^3$
Welbedacht WTW	160	58.1	50.263	48.3	52.5
Tienfontein	242	88.3	29.096	72	72
Novo	144.3	52.67	40.93	48	48
Rustfontein WTW	100	36.5	27.723	28.5	31
Groothoek WTW	18	6.57	3.875	0.744	5
Gariep WTW	2.8	1.02	0.71	0.507	0.8
Bethulie WTW	12	4.38	1.776	1.5	2
Philippolis WTW	1.2	0.438	0.229	0.383	0.35

Overview of the Mangauging Metropolitan Municipality water supply system



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Water Treatment Works Classification

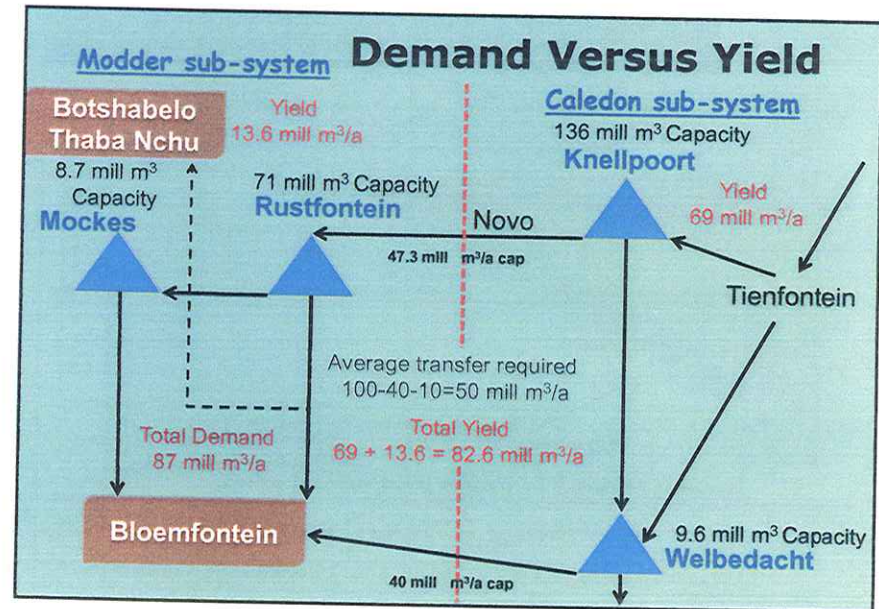
No.	Name of Water Treatment Works	Classification	Capacity	Average Monthly Flow (m ³ /month)
1.	Weibedacht	B	160 M/day	4.3 Million
2.	Rustfontein	C	100 M/day	2.5 Million
3.	Groothoek	C	18 M/day	0.14 Million
4.	Bethulle	C	12 M/day	0.07 Million
5.	Jagersfontein	C	4.7 M/day	0.08 Million
6.	Gariep	D	2.7 M/day	0.05 Million
7.	Phillipolis	D	1.2 M/day	0.023 Million
8.	Total		298 M/day	7.16 Million

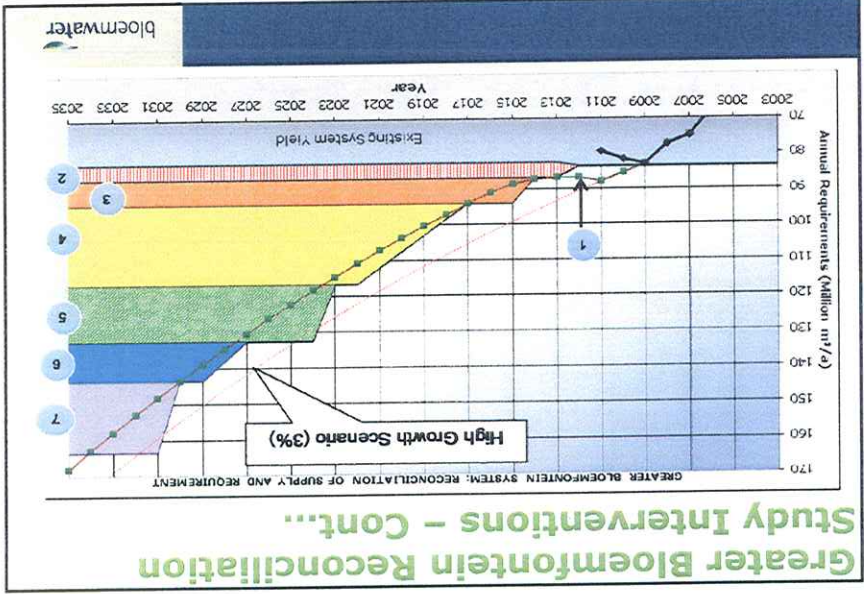
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Current level of Dams in the Mangaung Metro supply area

- Groothoek Dam**
 - The Groothoek dam supplies water to Groothoek WTW and has a design capacity of $11.9 \times 10^6 \text{ m}^3$. Besides supplying water to the villages South of Thaba Nchu, the system acts as an augmentation scheme for the Rustfontein water supply system. The current dam level is below **0%**.
- Rustfontein Dam**
 - Rustfontein dam supplies water to the Rustfontein WTW, and has a design capacity of $71.210 \times 10^6 \text{ m}^3$. The Rustfontein Dam receives bulk of its water from the Knellpoort/Novo transfer scheme. The dam level is less than **20%**
- Knellpoort Dam**
 - The dam was constructed to serve as the storage capacity for Welbedacht Dam, and has a storage capacity of $136 \times 10^6 \text{ m}^3$. The Knellpoort dam is supplied with transferred water from the Caledon River via the Tienfontein Pump Station. The dam level is less than **50%**.
- Welbedacht Dam**
 - The dam is located along the Caledon River and supplies water to the Welbedacht WTW. The dam, since its construction in 1973, has lost approximately 95% of its storage capacity due to siltation. **Water has been released from the Katse system to augment the GBSA since the 15/07/2014.**

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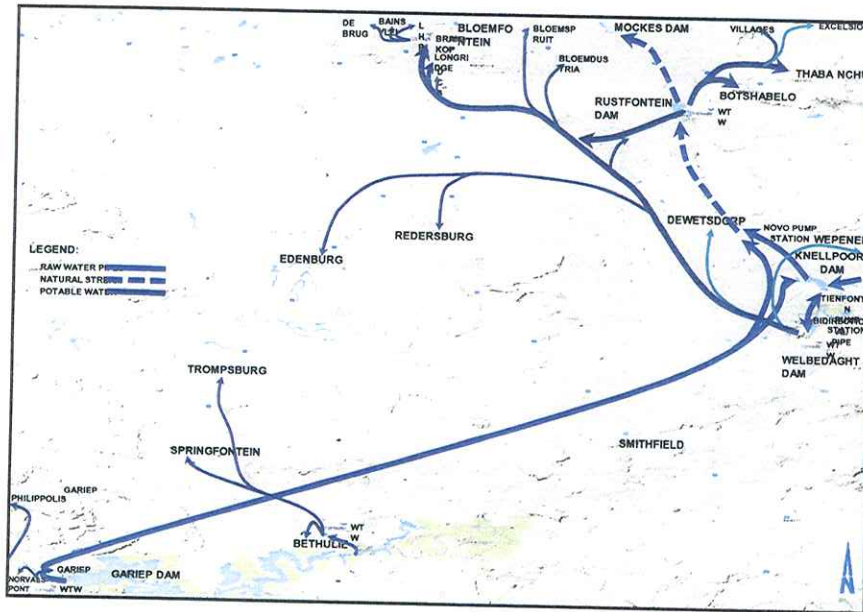


Greater Bloemfontein Reconciliation Study Interventions

No	Intervention
1	MMM implement their WC/VDM plan
2	Increase Tienfontein pumping capacity from 3 m ³ /s to 4 m ³ /s
3	Solving of station problems at Veibedacht Dam to ensure that VTRP can operate at design capacity of 145Ml/d
4	Novo Transfer Scheme - Construction of pipeline between Veibedacht Dam and Kneifpoort Dam and 2 m ³ /s P/S at Veibedacht pumping to Kneifpoort
5	Further increase of Tienfontein from 4 m ³ /s to 7 m ³ /s
6	Re-use of Treated Effluent (genetic)
7	Augment Kneifpoort Dam from Gaeap Dam

Note: Due to the water supply challenges in the Caledon Sub-Catchment, the Gaeap to Kneifpoort Dam (7) augmentation system has been brought forward. Feasibility studies are underway.

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Greater Bloemfontein Reconciliation Study Interventions – Cont...

No.	Project Name	Project Description	Estimate (R Mil)	Beneficiaries	Status
1.	Pipeline from Rustfontein WTW to Lesaka Reservoir	15 km 700 mm diameter ductile iron	R 90 Mil	• Botshabelo • Thaba Nchu	• Construction underway
2.	Pipeline from Lesaka Reservoir to OK/Motlatla Reservoirs	10 km pipeline	R 10 Mil – Planning phase R 60 Mil (Not Secured)	• Botshabelo • Thaba Nchu	• Pre-feasibility study complete • Feasibility underway
3.	Gariiep to Knellpoort pipeline	180 km 600 mm diameter pipeline	R 10 Mil – Planning phase R 1.8 Billion (Not Secured)	• Botshabelo • Thaba Nchu • Bloemfontein	• Pre-feasibility study complete • Feasibility underway

Greater Bloemfontein Reconciliation Study Interventions – Cont.....

No.	Project Name/ Scheme	Project Description	Estimate (R Mil)	Beneficiaries	Status
7.	Extend treatment capacity at Rustfontein	Increase WTW capacity from 100 Ml/day to 150 Ml/day	R 10 Mill (Secured) R 260 Mill (Not secured)	• Bloemfontein • Thaba Nchu • Botshabelo	• Detail design underway
8.	Parallel pipeline (Weibedacht to Bloemfontein)	35 km GRP 1000 mm diameter pipeline from Brandkop to Leukop junction	R 60 Mill (Secured) R 380 Mill (Partially Secured)	• Bloemfontein • Thaba Nchu • Botshabelo	Designs completed

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Greater Bloemfontein Reconciliation Study Interventions – Cont...

No.	Project Name/ Scheme	Project Description	Estimate (R Mil)	Beneficiaries	Status
4.	Novo Transfer	New pump to increase output to Rustfontein Dam	R 30 Mill	• Bloemfontein • Thaba Nchu • Botshabelo	• Commissioning underway. • completed.
5.	Weibedacht WTW to Kneilpoort dam (GBRS Intervention no. 1)	Pipe line between WTW and Weibedacht dam	R 5 Mill (Secured) R 250 Mill (Not Secured)	• Bloemfontein • Thaba Nchu • Botshabelo • Weperer • Dewetsdorp • Reddersburg • Edenburg	• Detailed design underway
6.	Additional Boreholes in Thana Nchu (GBRS Intervention no. 3)	24 solar boreholes	R 10 Mill	• North and South of Thaba Nchu villages • Installation of boreholes underway	

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Greater Bloemfontein Reconciliation Study Interventions – Cont.....

No.	Project Name/ Scheme	Project Description	Estimate (R Mil)	Beneficiaries	Status
9.	Booster pump station on the Wepener pipeline	Increase pumping capacity at Wepener	R 15 Mil	• Wepener	• Design completed • Procurement process underway
10.	Parallel Pipeline to Dewetsdorp	30 km UPVC 250 mm diameter pipeline from Booster Station to new reservoir at Dewetsdorp	R 25 Mil	• Dewetsdorp	• Designs completed • Procurement process underway



Greater Bloemfontein Reconciliation Study Interventions – Cont.....

No.	Project Name/ Scheme	Project Description	Amount (R Mil)	Beneficiaries	Status
11.	Booster pump station on the Excelsior pipeline	Houtneck booster pumpstation	R 6 Mil (Secured) R 15 Mil (partially secured)	• Excelsior • Rural Villages	Detail design underway
12.	Morago pipeline	10 km 250 mm diameter pipeline at Thaba Nchu	R 8 Mil	• Excelsior • Rural Villages north Thaba Nchu	completed
13.	Steel tank at Motlatla Reservoirs	Construction of Additional 4 Ml/d reservoir	R 6 Mil	• Excelsior • Rural Villages	completed



**Bloemwater CAPEX Programme –
Mangauging Metropolitan Municipality**

No.	Project Description	Project Budget	Status	Job opportunities Created
1.	Bulk water supply to Yorksford Village	R 2.2 Mill	Completed	19
2.	Increase storage capacity (2 Ml reservoir) at OK (Thaba Nchu)	R 5.5 Mill	Completed	41
3.	Rehabilitation of Sludge lagoons (Rustfontein/Grothoek & Welbedacht)	R 35.70 Mill	Completed	38
4.	Supply and erection of Steel tanks in Thaba Nchu villages	R 2.2 Mill	Completed	16
5.	New clear pumping system at Rustfontein WTW	R 18.2 Mill	Completed	10
6.	Regional accommodation for staff	R 4 Mill	Completed	20
7.	Chlorine Dioxide generators	R 6.9 Mill	Completed	10
8.	TOTAL	R 74.70		154

**Bloemwater CAPEX Programme –
Xhariep District (Kopanong Local Municipality)**

No.	Project Description	Project Budget	Status	Employment		
				Total	Male	Female
1.	Upgrade Bethulle WTW from 6 Ml/day to 12 Ml/day	R 18 860 403.18	Complete	60	55	5
2.	SAR to Bethulle WTW additional 350mm raw water pipeline	R 12 169 656.18	Complete	44	44	0
3.	New Springfontein 2 Ml reservoir	R 5 969 435.01	Complete	41	41	0
4.	Springfontein to Trompsburg additional 200 mm clear water pipeline	R 10 986 697.56	Complete	40	36	4
5	TOTAL	R 47 986 191		185	176	9

Summary Dept of Water and Sanitation Programmes

1.MWIG -11 Projects

- Budget : R44,391,000.00
- Expenditure:R5,503,585.75=12.4%

2.ACIP:5 Projects

- Budget : R10,300,00.00
- Expenditure: R3,505,777.32 =34%

3.RWH: Phase 1 & 2

- Budget 4,200,000.00
- Expenditure:R911,400.00 =45.57%

4.NTP:1 Project

- Budget: R6,000,000.00
- Expenditure:R5,681,881.18= 96.0%

5.NWRI : 2 Projects for Infrastructure Upgrade in Bloem Water

- Budget: R100,000,000.00
- Expenditure:R11,551,616.00 =11.5%



Free State Bucket Eradication Programme

Bloem Water Authority entered into a five (5) year agreement with the Departments of Water Affairs, Human Settlements, and Corporate Governance and Traditional Affairs, to be an Implementing Agent for the Free State Water and Sanitation Programme in formal settlement. The programme commenced in **November 2013 with the aim of eradicating verified 32585 number of buckets. The business plans were approved as follows:**

Financial Years	Budget Allocation	Required/Expected no. of buckets to be eradicated
2013/14	R 230 Mil	7000
2014/15	R 335 Mil	11000
TOTAL (Incl. VAT)	R 565 Mil	18000



Free State Bucket Eradication: Progress Update – Summary (Nov 2013 to Feb 2015)

Activity No.	Activity Description	Estimated/Planned Quantities (**Total Programme scope)	Actual Quantities
1.	Total no. of buckets to be eradicated (13/14 & 14/15)	18 000	14436
1.1	No. of buckets flushing*	6347	
1.2	No. of buckets complete but not yet flushing (WWTW/Oxidation ponds/Bulk/power supply, sewer pumps etc pending)	8089	
2.	Toilet Structure (Rectification/New)	**21452	7264
3.	Sewer reticulation and connection(m)	**390500	185369
4.	Water reticulation and connection (m)	**119872	68402

Free State Bucket Eradication Programme

Total	Male	Female	Disabled	SME's
1963	626	759	165	398
	Adults	Youth	Adults	Youth
			1	60

Research & Innovation

- Hydro Power – Conduit
- GIS
- Systems Automation
- Solar powered boreholes
- Load Shifting



Performance Against Strategic Goals and audited performance rating 2013/14

	STRATEGIC GOAL	ACTUAL RATING	MPR (MAXIMUM POSSIBLE RATING)	%
1	Manage financial affairs to meet current and future obligations	68	81	84
2	Build, operate and maintain infrastructure	34	39	87
3	Ensuring sustainable and equitable water resource management	41	46	91
4	Transformation/Business processes/research and development	78	88	89
5	Engaging in strategic partnerships	61	70	87
TOTAL ENTITY PERFORMANCE		282	324	
OVERALL PERCENTAGE ACHIEVED				87%



Statement of financial position
at 30 June 2014

	2014	2013
Assets		
Non-current assets	801 125	740 506
Property, plant and equipment	780 313	720 509
Defined benefit asset	20 812	19 997
Current assets	443 446	329 318
Inventories	12 117	9 424
Trade and other receivables	71 583	49 885
Short term investments	170 348	176 541
Cash and cash equivalents	159 185	93 458
Infrastructure project receivable	30 213	-
Total assets	1 244 571	1 069 824

Note

Non-current assets marginally lower than budget as not all CAPEX projects were concluded

Defined Benefit asset pension fund improved

Current assets marginally higher than budget

Inventories Mangaug and Kopanong outstanding accounts

Trade and other receivables Funding committed for loans and CAPEX projects

Financial Statements 2013/14

Statement of comprehensive income
for the year ended 30 June 2014

	2014	2013
Revenue	418 593	376 954
Water abstraction costs	(23 337)	(26 099)
Expenditure aligned to raw water tariff	395 256	350 855
Increase in implementing agent fees	2 224	
Other income	20 178	
Depreciation	(14 520)	(13 828)
Chemicals	(47 209)	(39 292)
Energy cost	(14 630)	(11 702)
Logans and maintenance	(75 443)	(65 742)
Staff costs	(116 553)	(97 676)
Improvement/trade receivables	(15 213)	(16 828)
Operating expenses	(56 516)	(38 087)
Operating profit	62 607	60 720
Finance income	24 036	16 706
Finance costs	(21 008)	(14 303)
Profit for the year	65 635	63 123

Note

Revenue Income aligned to volumes budgeted and tariff

Expenditure aligned to raw water tariff

Increase in implementing agent fees

Other income Hft expenditure accommodated pension fund valuation movements, filling of vacant positions

Energy cost Improvement of provision for bad debt

Staff costs Finance revenue high for interest charges on debtors

Logans and maintenance Finance cost - payment of loans

Equity and liabilities

		812 934	747 299	
Capital and reserves				
Retained earnings		602 276	533 954	← Reserves improved from retained earnings
Capital replacement fund		87 350	87 350	
Capital development fund		70 217	70 217	
Insurance fund		9 512	8 178	
Asset DWS reserve fund		43 579	43 579	← Transfer to insurance Fund
Revaluation reserve		-	4 021	
Non-current liabilities		309 090	176 470	← Non current liabilities aligned with revised implementation plan and budget
Interest bearing loans and borrowings	7	221 371	176 470	
Deferred income	2/	87 719	-	
Current liabilities		122 547	146 055	
Current portion of interest bearing loans and borrowings	7	69 586	70 388	← Accruals for implementing Agent projects, Eskom, etc
Trade and other payables	8	52 961	75 667	← Current liabilities aligned with revised implementation plan and budget
Total equity and liabilities		<u>1 244 571</u>	<u>1 069 824</u>	

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- **Indicators and Financial Actions**
 - Continued Solvency
 - Ongoing Liquidity
 - Remain a Going Concern
 - Debtors position worsened slightly
 - Cash position reduced marginally
 - Debt ratios remained high due to CAPEX requirements
 - Sales volumes aligned to budget
 - Streamlining of the pension fund in terms of Funding the deficit.


 - **Auditors opinion**
 - Unqualified report
 - No Matter of emphasis
 - Opinion that financial statements fairly presents the financial position
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Budget: 2015/16 cont...

- Consult with its municipal clients required by Section 42 MFMA & Circ 23.
- The implication of the above incorporates the following major components:
 - An increase in the raw water cost up to 18.38%
 - An increase in chemical cost: 10.2%
 - An increase in electricity cost: 15.2% plus additional requirements
 - An increase in human resources cost: 8% plus additional requirements


CAPEX: The proposed tariff will result in the downscaling of CAPEX projects in future years.

It impacts the National Treasury requirements regarding debt service ratios: restricting Bloem Water to obtain external funding for the debt service ratio above 25% and as aligned with the approved borrowing limits by Department of Water and Sanitation and National Treasury



Budget 2015/16 - Salient Features

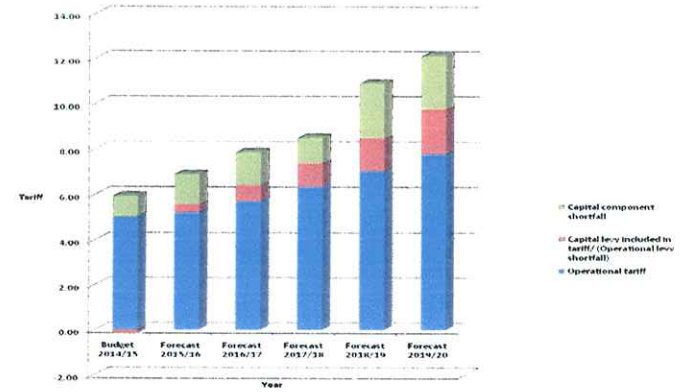
- Volume growth of 2-3%;
- Input costs increase aligned to tariffs increases
- Current implementation of CAPEX & Investment plan to 2016
- New Capex requirements for 2016 to 2020
- Improving profitability but returns still under pressure;
- Borrowing costs capitalized to assets;
- Retention of cash reserves
- Utilize reserves for refurbishments and loan repayments
- Debt service ratio of 25% maintained



Budget: 2015/16 cont...

STATEMENT OF COMPREHENSIVE INCOME AND OTHER DETAIL	Budget 2014/15 R'000	Forecast 2015/16 R'000	% Increase	Price/tariff Increase	Volume Increase	Other Increase
Total Income	503 875	545 833	8.3%			
Revenue	483 998	543 183	17.1%	15.1%	2.3%	-0.3%
Other operating income (incl secondary activities)	35 852	1 000	-97.2%			
Finance income	4 125	1 650	-60.0%			
Total expenses	503 703	531 761	5.6%			
Water Purchased	30 804	35 505	15.3%	13.0%	2.3%	0.0%
Impairment of trade receivables	10 000	20 500	105.0%			105.0%
Chemicals	19 447	21 422	10.2%	8.0%	2.2%	0.0%
Depreciation - non-cash expense	61 415	63 855	4.0%			4.0%
Distribution costs	17 127	19 525	14.0%	14.0%	0.0%	0.0%
Energy	83 955	96 733	15.2%	11.0%	2.2%	2.0%
Repairs and Maintenance	17 124	18 464	8.0%	8.0%	0.0%	0.0%
Staff costs	145 860	164 596	13.0%	8.0%	5.0%	0.0%
Operating Expenses (incl secondary activities)	90 728	82 295	-9.3%	8.0%		-39.3%
Finance expenses	27 445	28 837	5.1%			5.1%
Profit / (loss) for the year	272	14 072				
Interest Bearing Borrowings - Capital component	38 173	41 739				
PPE	49 700	99 700				
Profit shortfall	-87 601	-127 367				

Operational, capital levy and shortfall

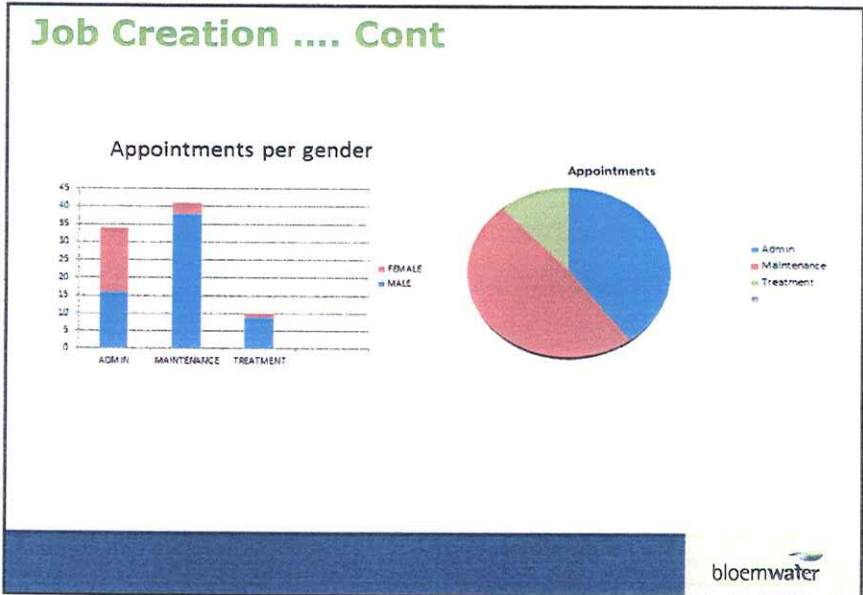
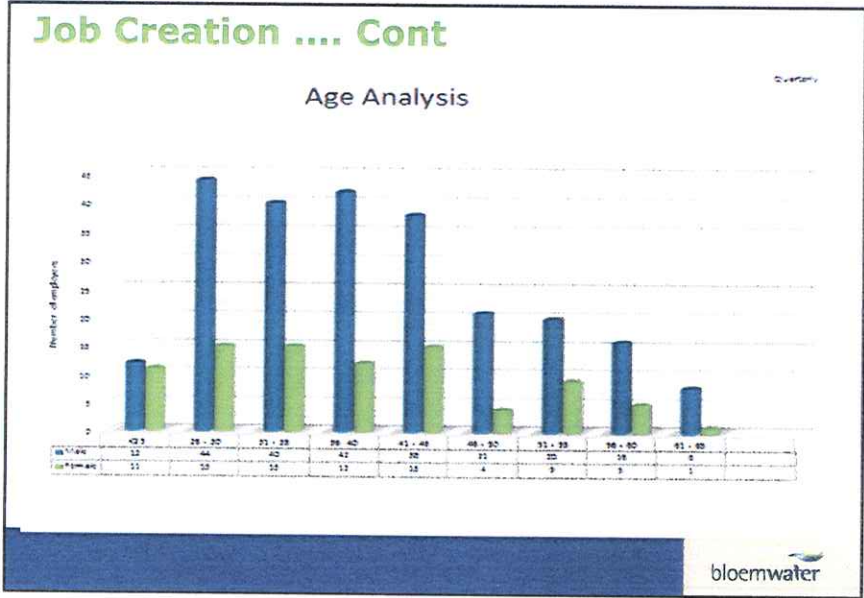


Water Tariff increases: 2015/16

- The consultation process followed with treated tariff to increase from R5.21 to R6.00 and raw water from R3.83 to R4.41
- Following the above, consultation with National Treasury, SALGA and DWS ensued. Result.
 - NT supported the increase although not cost reflective tariff due to tariff shortfall
 - DWS and Minister of Water and Sanitation process to be concluded
 - SALGA supported in general, expressed concern on HR and Operational cost
- Impact – Still under recovering for the period 2015/18, affecting cash position

Job Creation/Staff Compliment

Occupational Levels	Designated		Non-designated		Total
	Male		Female		
	A	C	W	M	
Senior Management	2	0	0	1	3
Professional qualified, experienced Specialists and mid-Management	15	0	0	2	17
Skilled technical, academically-qualified workers, junior Management, superintendents, foremen and superintendents	40	2	1	5	48
Semi-skilled and discretionary decision- making	71	2	0	11	84
Unskilled and defined decision-making	67	3	0	9	79
TOTAL PERMANENT	198	7	1	31	237
Non-permanent employees	21	1	0	5	27
GRAND TOTAL	219	8	1	36	264



Skills Development

HUMAN CAPITAL DEVELOPMENT

ABT: Classes held one week once a month

Apprenticeship: Selection of employees for trade test certification training in mechanical and electrical functional areas

Internship: Recruitment annually or when need is identified

NQF2 & 3 Water and Waste Water in-house training is underway

Training: 40 different courses attended to during the current financial year

Staff members have presented different papers in either regional or national water related conferences

About 80% of the staff compliment have attended development sessions

Bloem Water has entered into MOU with the following institutions:
 Lepelle Northern Water, Limpopo,
 Mivaai Water, North West,
 NRWB, Malawi
 Department of Health, Free State Province

NWSC, Zambia
 Water Utilities Corporation, Botswana
 Water Sewerage and Company, Lesotho
 Fredskorpset Exchange Programme, Oslo, Norway

Skills Development Cont

Occupational Group	Band	Priority Training / skills needs					
		African	Coloured	Asian	White	M	F

5 & 6	Technical Skills (Mechanical, electrical and maintenance)	3								
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5 & 6	Plant machine Operators and assemblers	Project Management	1							
		Water Treatment								1

Administration and related profession	B. Tech. Office Management and Technology	1								
	National Diploma Office Management	1								
	Diploma in Financial Management	1								
	Diploma in Logistics and Supply Chain Management	1								

Elementary Occupations	Security Management	1								

Skills Development ... Cont

Occupational Group	Priority Training/skills needs	African		Coloured		Asian		White	
		M	F	M	F	M	F	M	F
Plant machine Operators and assemblers	Water Care NQF 2	8	4						
Craft and related workers	Mechanical Artisanshp	6	2						
	Electrical Artisanshp	3	2						
Administration and related profession	Finance and Administration	1	1						
	Supply Chain	1							

Skills Development ... Cont

- Attendance of various short courses:
 - Case law/Labour Relations
 - Change Management
 - Risk Assessment
 - Water leaks
 - Chlorine Handling
 - Dam Management
 - Pump station
 - Plant operations
 - Laboratory system accreditation
 - Operations of Waste and Water Treatment Plants
 - Water sampling
 - HIRA
 - Assets procurement and disposal
 - First aid training
 - Operations Risk Management

Sustainability Initiatives/CSI

- Several CSI activities are conducted within Bloem Water area of Supply. Bloem Water has also adopted two Community Projects which are Bokamoso Orphanage in Botshabelo and Bokamoso Pre - School in Ladybrand..
- School sanitation programme coaches the learners on health and hygiene practices whereas water related projects focuses on water conservation practices. The renovation programme focuses on minor activities such as fixing of leaks, broken windows, damaged floors and walls. Bloem Water is currently assisting about 50 schools on this initiative.

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Sustainability Initiatives/CSI ... Cont.

- Water Related School Project deals with the connection of pressure valves and pumps, plumbing, provision and installation of Jojo tanks, repair leaks, installation of water basins with taps, sewerage unblocking and manhole construction and water conservation awareness sessions. Twelve (12) schools are being assisting in this initiative.
- School Renovations Project focuses on repairing and replacing leaking roofs, electricity wiring, paving, plastering of floors, repairing broken windows and doors and renovation of restrooms. Nine (9) schools are benefiting from this initiative.
- Bloem Water has provided uniform to learners from underprivileged communities in the Free State such as Xhariep, Naledi and Motheo Municipality. R1.2 million has been spent on learners for this initiative. Other social responsibility programmes include assisting the orphanage and a pre-school with temporal structures, baby blankets, mattresses, 6 months supply of food, stationery and toys. About 170 children are being supported in this program.

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Sustainability Initiatives/CSI ... Cont.



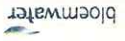
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Other services rendered

- Maintenance assistance on municipal infrastructure including leaking pipe excavations
- Assist with machinery, extinguishing fires and deployment of water tankers during emergencies

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THANK YOU



Current Challenges

- Deteriorating raw water quality as a result of inadequate catchment management
- Availability of Water Resources
- Siltation of the Caledon River
- Sustainable tariff structure
- Ageing infrastructure
- Experiencing rising input costs, i.e. Chemicals, raw water, energy and O & M cost
- Inadequate Water Conservation/Water Management by Municipalities
- Ongoing drought
- Non payment by other Municipalities
- Vandalism and Theft of Assets

